

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MARTIN TO  
AMERICAN POSTAL WORKERS UNION, AFL-CIO INTERROGATORIES  
(APWU/USPS-T6-7 AND 10)**

The United States Postal Service hereby provides its responses to the above-listed interrogatories of the American Postal Workers Union (APWU), AFL-CIO, dated February 24, 2012. Each interrogatory is stated verbatim and is followed by the response. Interrogatories APWU/USPS-T6-8 and 11 from this set were redirected to Witness Bradley, whose responses were filed on March 9, 2012. Interrogatory APWU/USPS-T6-9 was redirected to the Postal Service for an institutional response, which is forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MARTIN  
TO AMERICAN POSTAL WORKERS UNION, AFL-CIO INTERROGATORY**

**APWU/USPS-T6-7.** Page 17 of USPS Witness Williams' testimony allows for potential 3-digit [ZIP] to 3-digit ZIP Code changes to service standards based on the reconfiguration of the network.

- a) For any given customer shipping parcels, in any of the parcel sub-categories of mail within the network, will there be circumstances where, due to plant closures, the total transit distance for parcels flowing through the system may increase significantly from origin to destination?
- b) If so, has an analysis been done to calculate the percentage of volume in each parcel sub-category which may be affected?
- c) If this analysis was conducted, what are the percentages of volume expected to be affected?
- d) Is Priority [M]ail, both flats and parcels, expected to be affected in the same way?
- e) If so, what percentage of Priority mail would be affected?

**RESPONSE:**

- (a) Because it is unclear what the term "significantly" implies, and because the remapping of ZIP Codes is incomplete, I am unable to provide a complete response to this interrogatory. However, I anticipate that the total transit distance for a customer's shipment of parcels may be increased or decreased based on the remapping of ZIP Codes which will result in the establishment of new origin/destination ZIP Code pairs throughout the network.
- (b) No.
- (c) N/A
- (d) Because the remapping of ZIP Codes is incomplete, I am unable to provide a complete response to this interrogatory. However, I anticipate that total transit distances for Priority Mail parcels and flats may also increase or decrease, although not necessarily in synchrony with one another.
- (e) I interpret this interrogatory part as seeking the percentage of Priority Mail

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TO AMERICAN POSTAL WORKERS UNION, AFL-CIO INTERROGATORY**

**RESPONSE TO APWU/USPS-T6-7 (CONT.):**

that is expected to be affected by any increases or decreases in transit distances. I understand that the Postal Service has estimated that approximately 22 percent of the Priority Mail processed within the plant network is currently processed at a location that has been approved as a consolidation opportunity. Any such Priority Mail volume could be affected by increases or decreases.

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**APWU/USPS-T6-10.** Please explain the rules that the Postal Service applies to determine which outgoing mail is to be transported from origin facility to destination facility via surface transportation, and which mail is to be transported from origin to destination facility via air transportation. Please include in this explanation a description of:

- a) All relevant origin-to-destination facility mileage thresholds, by mail product, at or below which surface transportation is chosen, and above which air transportation is chosen.
- b) The air transportation rules or guidelines that determine, by mail product, which type of air transportation mode – FedEx Day, FedEx Night, other commercial, etc. – is to be used.
- c) With respect to mail to be transported by FedEx Day or FedEx Night air contracts, the rules determining whether the Postal Service or Postal Service contractors deliver the mail to FedEx air facility locations, or whether FedEx picks up this mail from Postal Service processing facilities or other Postal Service locations.
- d) The rules determining whether the mail is picked up by the Postal Service from FedEx's destination air facilities; or whether FedEx transports the mail directly to a destinating Postal Service facility.

**RESPONSE:**

- (a) There are no specific origin-to-destination facility mileage thresholds that establish transportation mode by mail product. The only mail products routinely transported via air are Express Mail, Priority Mail, and First-Class Mail. The factors that determine whether the transportation mode should be surface or air are: (1) the service standard for the mail product; (2) the maximum distance a surface trip can be and achieve the service standard, and (3) the relative costs to fly or truck the mail. In some cases, mail capable of timely surface transportation will be assigned to air transportation if air transportation is more economical than surface transportation.
- (b) The selection of the optimal air service provider depends on such factors as product service requirements, TSA security regulations, contract

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TO AMERICAN POSTAL WORKERS UNION, AFL-CIO INTERROGATORY**

**RESPONSE TO APWU/USPS-T6-10 (CONT.):**

specifications, cost, and available capacity. Further, some general rules apply to specific mail classes:

Priority Mail. Due to TSA's cargo screening requirements, Priority Mail is predominately transported via the Federal Express (FedEx) Day network. Little Priority Mail is transported via the United Parcel Service (UPS) network. A small amount of Priority Mail is also transported via commercial passenger air carriers after canine screening.

First-Class Mail. First-Class Mail (FCM) is transported on commercial passenger air flights, the FedEx dayturn, and UPS network. Allocation of FCM volume to these networks is driven by contract minimums, operations at the airstop locations, service responsive routings, and aircraft capacity.

Express Mail. Express Mail is transported primarily via the FedEx Night network for overnight committed volume due to its operational window and transport time. Express Mail not requiring overnight commitment can be transported via the Night turn Network, Dayturn Network, or commercial airline as long as the transportation is service responsive.

- (c-d) Whether mail is transported between Postal Service and FedEx networks by postal or FedEx resources is determined by agreement with FedEx. Determining factors for these arrangements include available drayage on airport grounds, specialized equipment requirements (i.e., CTV trailers),

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**RESPONSE TO APWU/USPS-T6-10 (CONT.):**

operational benefits (reduced stem time), or where transportation can be performed more efficiently and at a lower cost.